

# Analysts suggest subsidy for crop insurance

STAR BUSINESS REPORT

Analysts have suggested subsidy for implementing crop insurance to hedge farmers from the risk of losses due to natural disasters.

"The government should bear part of the cost along with farmers as subsidy," said Khondkar Ibrahim Khaled, chairman of Bangladesh Krishi Bank, at a briefing at Dhaka Sheraton Hotel yesterday.

Unnayan Shamannay, a nongovernmental organisation, arranged the press meet, followed by a discussion with lawmakers, economists and agriculture researchers on agriculture and national budget for 2010-11.

The Tk 131, 170 crore budget earmarked Tk 11, 409 crore for the farm sector.

Citing an Asian Development Bank study, Khaled, also fellow emeritus of the NGO, farmers will have to bear

additional 4 percent costs to pay premiums for insuring crops.

It will be difficult for farmers to cover the entire cost of the premiums, he said.

Finance Minister AMA Muhith unveiled steps for introducing agriculture insurance to provide price support to small and medium farmers. But the government did not keep any allocation for the scheme, creating doubts among the analysts about its implementation.

They pointed to the need for quick release of funds under the Annual Development Programme for faster implementation of the projects.

A committee involving lawmaker and local people should be formed in the project area to monitor progress in implementation of the projects, the speakers urged.

For unnecessary delay in fund release, provision for punitive action should be there, the Krishi Bank chair-

man noted.

"It is also necessary to assess the results of the implemented programmes in every fiscal," he added.

The discussants also suggested increased investment in agricultural research to develop new varieties of rice seeds for maintaining the growth of crop sector.

"The high yielding variety rice seeds planted in the fields are the outcome of the researches in 1980s," Khaled said, adding that the number of newly developed seeds came out in the past couple of years is not adequate.

Khaled, also the central bank's former deputy governor, pointed to the retirement age of agriculture scientists at 57 as well as brain drain due to poor incentive as some shortcomings of agriculture research.

"We'll face the impact on agriculture after a couple of years, unless researches on the field are strengthened."



Finance Minister AMA Muhith speaks at a seminar on Investment in Power Sector of Bangladesh: Opportunities and Challenges, organised by the Power Division, at Sonargaon Hotel in Dhaka yesterday. (Related story on B1)

# Stocks pass dull week as investors lose appetite

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Dhaka stocks edged down last week, as profit-booking sales and a price fall in the telecom sector shadowed the market.

The benchmark index of Dhaka Stock Exchange -- DSE General Index -- fell 36.17 points, or 0.58 percent, to 6,153.68.

Many investors, including institutions, booked profit ahead of the half-yearly closing, putting stress on the overall market.

Besides, a weeklong price fall in the shares of Grameenphone, the lone player in the telecom sector, and reactions to the changes in the margin loan criteria also dulled investor sentiment, BRAC-EPL, an investment bank, said in its weekly analysis.

Grameenphone, the largest stock in the market, continued its slide for an eighth session. The slide started in April, with a short respite around the dates of the company's AGM. GP came down from a lofty Tk 395 to Tk 240, a 65 percent slide.

"GP's pre-IPO placement of shares, which is equal to the size of the current

public float, enters into free trading from the fourth quarter of this year after expiry of the lock-in period," the BRAC-EPL said.

"The market seems to have anticipated the selling pressure from institutional investors at that time."

Another major development of last week was the reaction to the changes in the margin lending rules, it said.

On June 20, the Securities and Exchange Commission restricted margin lending on stocks for securities with price-earning ratio over 40.

The market suffered selling pressure in the following two days. Although volumes in the market went up, only sectors with low PE ratios benefited from this change. Financial stocks, including banks and NBFIs, gained both in value and volume, the BRAC-EPL said.

"This seems to be the result of a concerted effort by the government to bring sanity back to the market by adopting various fiscal and regulatory measures."

"If this continues, we can expect speculative stocks coming back to

earth and undervalued stocks such as banks and fuel and power gaining at their expense," it added.

Losers beat gainers 149 to 103 with one security remaining unchanged on the premier bourse, which traded more than 22.80 crore shares and mutual fund units on a turnover of Tk 6,651.75 crore. The daily average turnover was Tk 1,662.93 crore.

Total market capitalisation fell by 0.44 percent to Tk 270,074 crore.

Titas Gas, the state-run fuel company, topped the turnover leaders with more than 43.63 lakh shares valued at Tk 437.48 crore. Other turnover leaders were Beximco Limited, AB Bank, Shahjalal Islami Bank and Premier Bank.

Rahima Food was the largest gainer, which posted a 36.18 percent rise, followed by Kohinoor Chemicals, Prime Textile, Fourth ICB Mutual Fund and Exim Bank.

Progressive Life was the biggest loser with a 20.52 percent slide, followed by Eastern Lubricants, Modern Industries, Rupali Life Insurance Company and Quasem Silk.



A 12-member business delegation from BGMEA, led by its First Vice President Nasir Uddin Cowdhury, poses with Fernando Valente Pimentel, superintendent-director of Brazilian Textile and Apparels Industry Association, at the latter's office in Brazil recently.

## NCC Bank gets new additional MD



STAR BUSINESS DESK

National Credit and Commerce (NCC) Bank has promoted Golam Hafiz Ahmed to additional managing director, the bank said in a statement.

Prior to this assignment, he was the bank's deputy managing director.

Ahmed, a postgraduate in economics in Dhaka University, started his banking career with Pubali Bank in 1983.

He also worked for Banque Indosuez and Dhaka Bank. At NCC Bank, he had also been the deputy managing director for corporate banking and then operation and risk management.

## Workers stop work at Hili land port

UNB, Dinajpur

Operations of Hili land port in Hakimpur upazila came to a halt yesterday after workers went on strike, demanding a wage hike and payment of their dues.

The workers also brought out a procession in the port to press their demand, including the fixing of minimum wage at Tk 22 a tonne for loading and unloading goods.

A labour leader alleged that the authorities -- Panama Hili Port Link Ltd, a private operator, charge Tk 34 from businessmen for loading and unloading of goods per tonne, but pay Tk 8-10 to workers.

The wages of workers are also not paid timely and often paid two to three months later, he added.

# Garment leaders scope out Latin America

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Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has explored Latin America for apparel products and expects to export \$500 million worth of items to the alternative market in two years.

A 12-member BGMEA delegation visited Brazil, Chile and Mexico from May 22 to June 5.

The delegates say they have received a lot of queries from the buyers regarding prices, lead-time, sample making and submission time, the association said in a statement.

"Bangladesh garments attracted the attention of representatives from about 30 popular national and international apparel brands in Brazil, Chile and Mexico," BGMEA said.

During the visit, the delegation met government representatives, high officials from

chambers, readymade garments buyers, chain retailers, traders and importers and media representatives. Nasir Uddin Cowdhury, first vice president of BGMEA, led the delegation.

BGMEA expects buyers from these countries to participate in the BATEXPO 2010 in November to start a business linkage.

This visit was jointly organised by the BGMEA and GTZ to diversify the RMG market beyond the USA and Europe where 94 percent of the country's RMG items are exported.

Over-dependence on USA and Europe markets amid the global recession has made the RMG sector to think about new and potential markets, such as Japan, Hong Kong, Australia and emerging markets such as Brazil, Chile, Mexico and South Africa.

# Deutsche Bahn plans to invest 41b euros

AFP, Berlin

Germany's state-owned rail operator Deutsche Bahn plans to make the biggest investment in its history between now and 2014, a company official told the Berliner Zeitung Saturday.

The rail company will invest some 41 billion euros (51.5 billion dollars) in its operations, 75 percent of which will be spent on the rail network and modernising the stations, with the remainder for acquiring new trains, the company's technical director Volker Kefer said.

Deutsche Bahn plans to purchase up to 300 new high-speed "ICx" trains to succeed the current ICE model, he said.

"For regional transport, we envision buying up to 400 electric trains" as well as 600 buses for local travel, Kefer added.

With these investments, "travel times will be shortened, trains will be more reliable and punctual, and they will be more comfortable," he said.

A major European rail service, covering 150 countries, Deutsche Bahn is undergoing extensive international expansion. In April it acquired Arriva, one of Britain's top transport firms.



Syed Nazrul Alam, manager of sales and marketing for Mobil Jamuna Lubricants Ltd, speaks at a workshop on the company's products at the Motel Century auditorium in Bogra on Wednesday. About 250 retailers and technicians took part in the workshop.



Representatives of Aamra Networks Ltd pose at the company's pavilion at the CommunicAsia 2010, one of the biggest business-to-business ICT exhibition in Asia, held in Singapore recently.

# Apple says iPhones overstate signal strength

REUTERS, New York

Apple Inc came clean on Friday about an embarrassing software glitch that overstates network signal strength in its hot-selling iPhone, as complaints mounted about the phone's wraparound antenna.

Apple admitted its signal strength miscalculation dates back to its original 2007 iPhone. It promised to fix the glitch in a few weeks, but did not directly address concerns that its antenna design causes reception problems for iPhone 4, its newest phone.

Apple's apology -- a relative rarity from the company known for its marketing savvy -- marked the third time in less than three weeks it had to apologize to customers of iPhone 4.

"Upon investigation, we were stunned to find that the formula we use to calculate how many bars of signal strength to display is totally wrong," Apple said in an open letter to customers published on Friday.

Since the iPhone 4 hit stores on June 24, consumers have complained about cellphone reception problems when they hold the phone in a certain way. Even while just standing in one place, a rapid decline in the number of signal bars can be observed depending on how the phone is gripped.

Apple has already been sued by iPhone customers in at least three complaints related to antenna problems on the iPhone 4.

Rival Motorola Inc has made a thinly veiled dig at the iPhone's problems. In ads for its Droid X phone, Motorola promised users can "hold the phone any way they like."

Apple said that "gripping almost any mobile phone in certain ways will reduce its reception by 1 or more bars." It said this problem is not limited to iPhone, but also plays phones from Nokia and Research In Motion Ltd, as well as phones with Google Inc Android software.

But Apple conceded iPhone 4 consumers complained of a far bigger than normal drop in signal bars.

The iPhone 4's antenna is an unusual design in that it circles the entire perimeter of the device. Phone makers typically try to place the antenna in places the user is less likely to touch in order to make a call.

# Crocodile eggs up for sale

BSS, Dhaka

Tourists in Bangladesh will now find an addition to their menu as the country's lone crocodile farm has taken the initiative to sell the croc eggs commercially.

"Against the backdrop of demand for crocodile eggs in some hotels in the country, we have taken initiative to sell the croc eggs commercially," Mustaq Ahmed, managing director of Reptile Farm Ltd (RFL), told the news agency yesterday.

"We have already sold about 150 eggs to some hotels and its main consumers are foreigners."

Apart from selling croc eggs, Mushtaq said his farm has also taken steps to sell baby crocodiles to amusement parks in the country.

"Baby crocs were sold to Saudia Park Ltd, an amusement park in Bogra."

Earlier, the RFL exported 67 frozen saltwater crocs to Germany's Heidelberg University for research purposes.

"The export of crocodiles from Bangladesh fetched 1 lakh euros, ushering in a hope of croc business in the country," he said.

Different countries, including France, Germany, Italy and Spain, have shown keen interest in importing croc skins from their farm, he said. He hoped the farm would be able to export 500 croc skins by next two or three years.

He along with Mesbahul Huq, a pharmacist, set up the croc farm on 15 acres in Hatiber village in Bhaluka upazila, Mymensingh.

After exporting crocodiles to Germany, there are now about 700 crocs in the farm, said Mushtaq.

The farm is now aiming to export over 5,000 pieces of crocodile skin annually and create a base for earning up to \$5 million by 2015.

"There is a huge demand for croc skins, meat and bones in Europe, America and other developed countries, such as Australia, Japan, Singapore and China. The charcoal made from crocodile bones is indispensable to the global perfume industry."

Crocodiles are being commercially farmed in 40 countries including China, Malaysia, Thailand, Cambodia, Indonesia, and Vietnam.

The croc eggs can be bought online at cellbazar.com.